

STUDENTS FINANCE BOARD ANNUAL REPORT 1988



Alberta

STUDENTS FINANCE BOARD





323 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2291

June, 1989

The Honourable Dr. David J. Carter
Speaker of the Legislative Assembly of Alberta

Dear Mr. Speaker:

It is my privilege to transmit the Annual Report of the
Students Finance Board for the period April 1, 1987 to
March 31, 1988.

Respectfully submitted,

A handwritten signature in cursive script that reads "John Gogo".

John Gogo
Minister
of Advanced Education

**STUDENTS FINANCE BOARD
ANNUAL REPORT
1988**

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REPORT OF THE STUDENTS FINANCE BOARD

We have the honour to submit the Annual Report for the year ending March 31, 1988.

The Students Finance Board, which is comprised of nine public members and two student representatives, is appointed by the Minister of Advanced Education. The Board is charged with the responsibility of administering Alberta's student aid programs, including the Alberta Heritage Scholarship Fund, and acts in an advisory capacity to the Minister on matters relating to student financial assistance.

During 1987-88, 57,305 students received assistance amounting to \$237,250,018 under the need-based programs administered by the Board. In the previous reporting period, 56,901 students received assistance amounting to \$233,816,542.

During 1987-88, under the Alberta Heritage Scholarship program 6,663 scholarship recipients received awards totalling \$9,272,157.

In May of 1987 a revised remission policy was implemented whereby remission is awarded at a flat rate of 40% with the application of a loan exemption of \$1,000 for each year of study.

In 1987-88, in response to requests received from student leaders and members of the public, the Board implemented a strengthened audit program in order to reduce the potential for abuse within the student aid system. The inclusion of a tax waiver within the financial assistance application is representative of this increased audit activity.

With the approval of amendments to Students Finance Regulations during 1987-88 provision was made for:

- the awarding of a graduate scholarship to a student attending the University of Lethbridge;
- The broadening of the scope of the Ukrainian Language Development Grants program in order that these grants could be made available to teachers of all second language programs. The title of these grants was consequently changed to "Language Development Grants."
- the awarding of \$1,500 bursaries to students enrolled in short-term courses in the North under the Northern Alberta Development Council Bursary Program.

As in previous years, the Students Finance Board held meetings during 1987-88 with student representatives and student awards officers from across the province. The meetings provide the opportunity for the discussion of issues relating to the provision of financial aid to students.

The Students Finance Board would like to thank those Albertans who have served on the various committees of the Board throughout 1987-88 year.

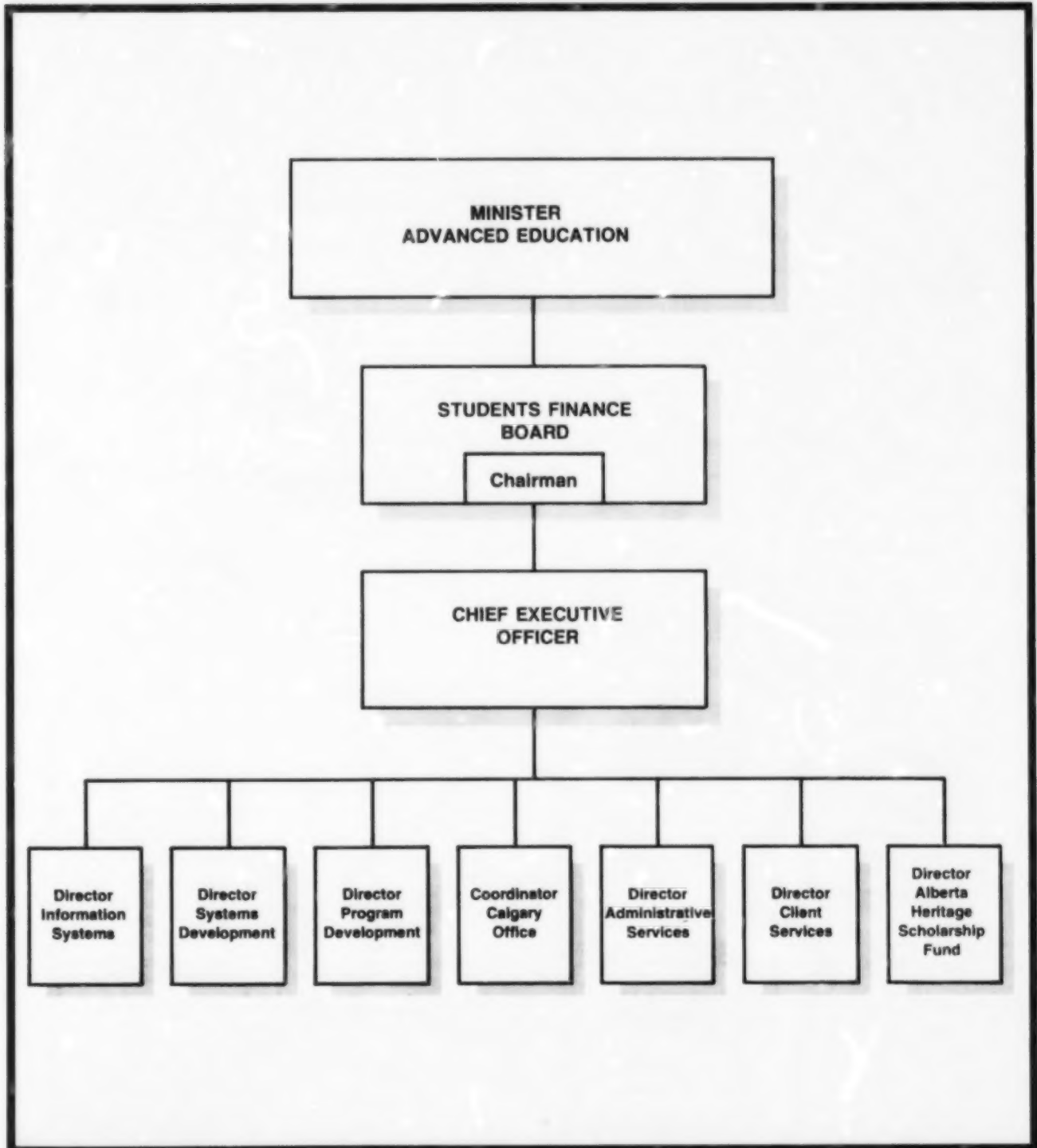
Respectfully submitted,

J. Arboleda
T. Haberman
D. Hancock
W. Hunchak
S. Langlois
T. O'Shea
J. Raven
S. Sivam
L. Steinmann
H. Torgerson
M. Tims, Chairman

STUDENTS FINANCE BOARD

Organization Chart

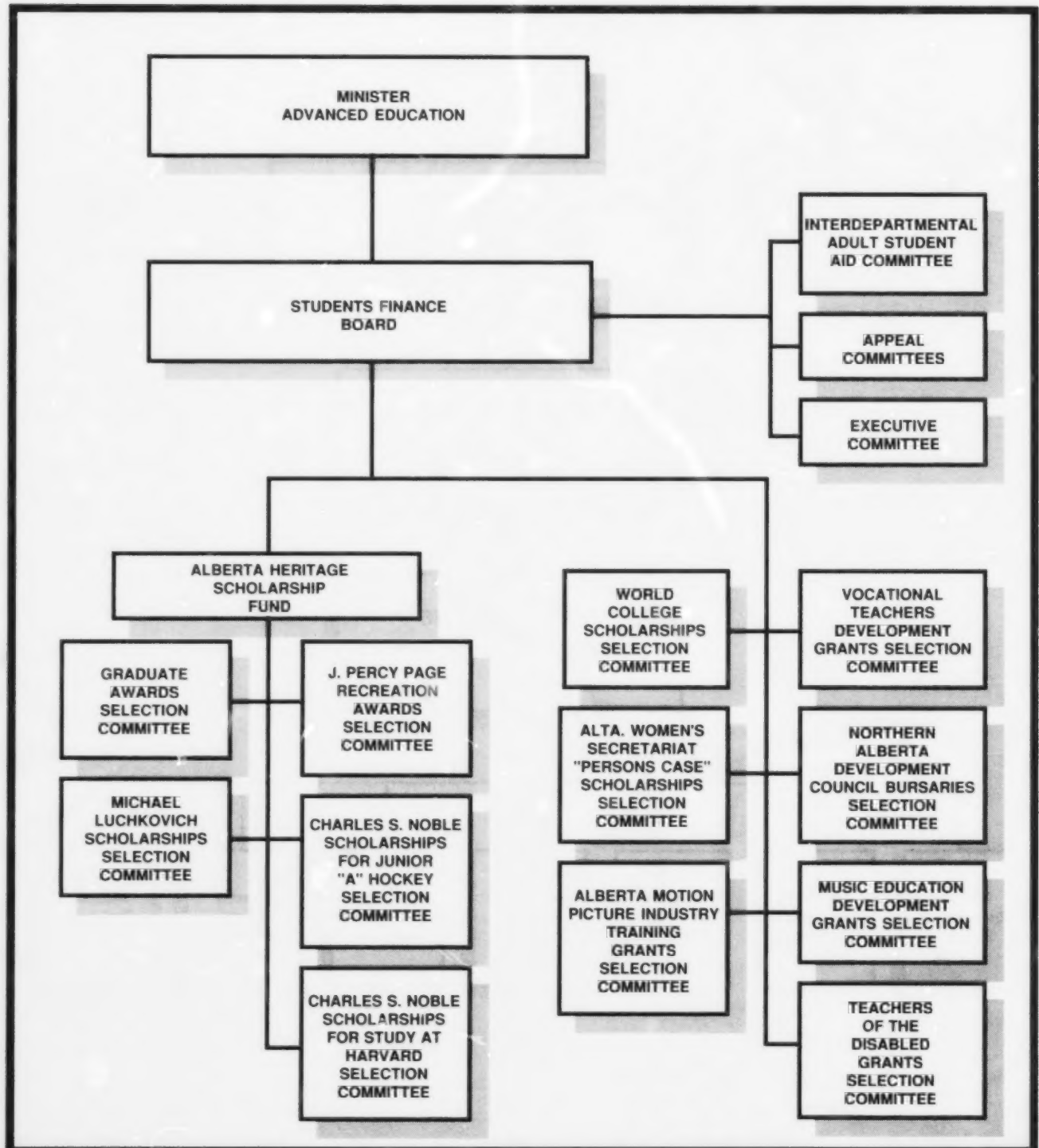
1 April 1988



STUDENTS FINANCE BOARD

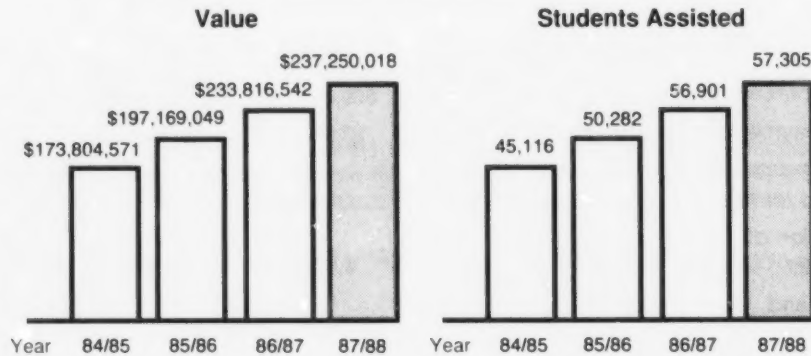
Committees

1 April 1988

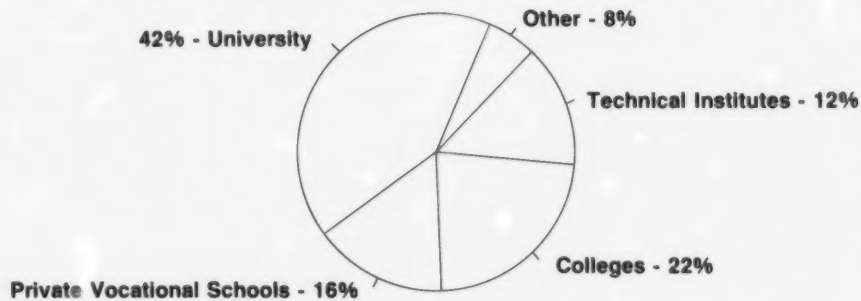


NEED-BASED ACTIVITIES - HIGHLIGHTS

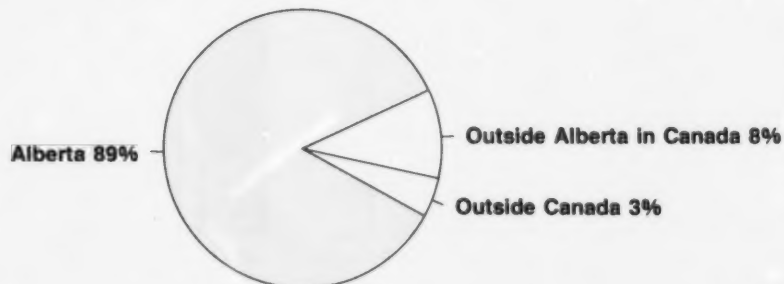
1. Summary of Total Need-Based Assistance 1985 - 1988



2. 1987-88 Summary of Need-Based Awards According to Institution Types



3. 1987-88 Summary of Need-Based Awards According to Institution Location



SUMMARY OF EXPENDITURES

	<u>1987</u>	<u>1988</u>
Grants and bursaries	\$58,641,168	\$50,218,464
Remission payments	32,850,530	35,019,748
Interest payments on guaranteed loans	7,913,098	8,834,585
Implementation of guarantees	6,505,377	8,106,623
Fellowships and scholarships	1,859,830	1,854,668
Administration expenses	<u>4,712,264</u>	<u>4,595,909</u>
Total	\$112,482,267	\$108,629,997

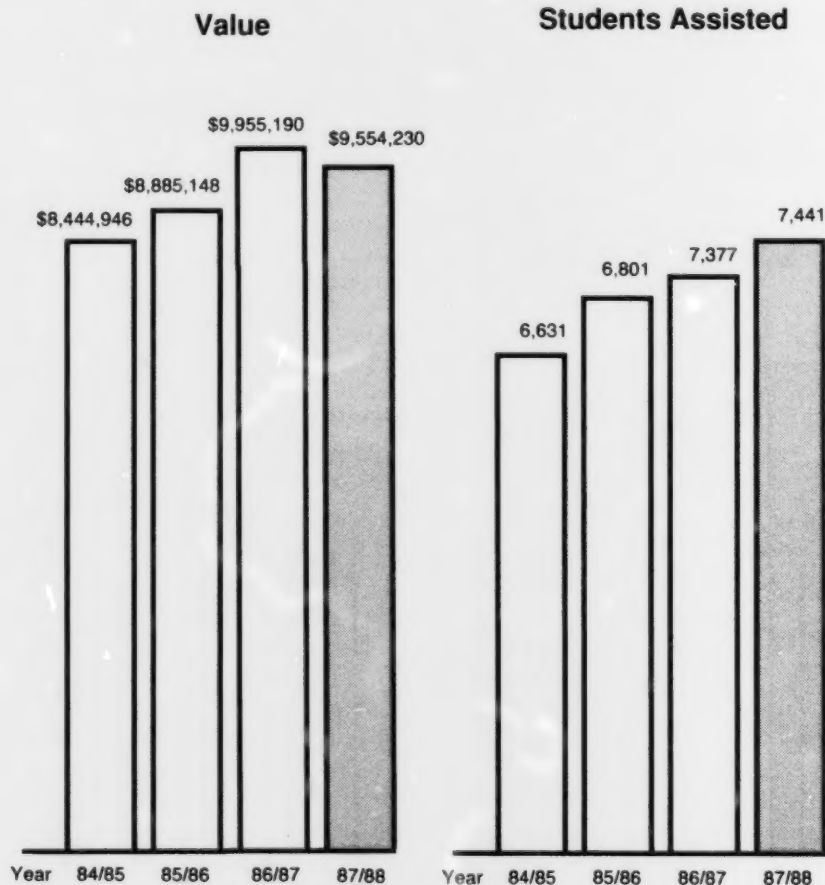
NEED-BASED AWARDS

Alberta Educational Opportunity Equalization Grant Assistance 1985 - 1988

Value: Up to \$2,000 per academic year.

These grants may be provided to help offset the additional costs incurred by dependent students whose programs of study are not available within normal commuting distance of their parents' homes. To be eligible for these grants, students must demonstrate financial need.

There were 7,441 students assisted under this program in 1987-88, amounting to a total expenditure of \$9,554,230.

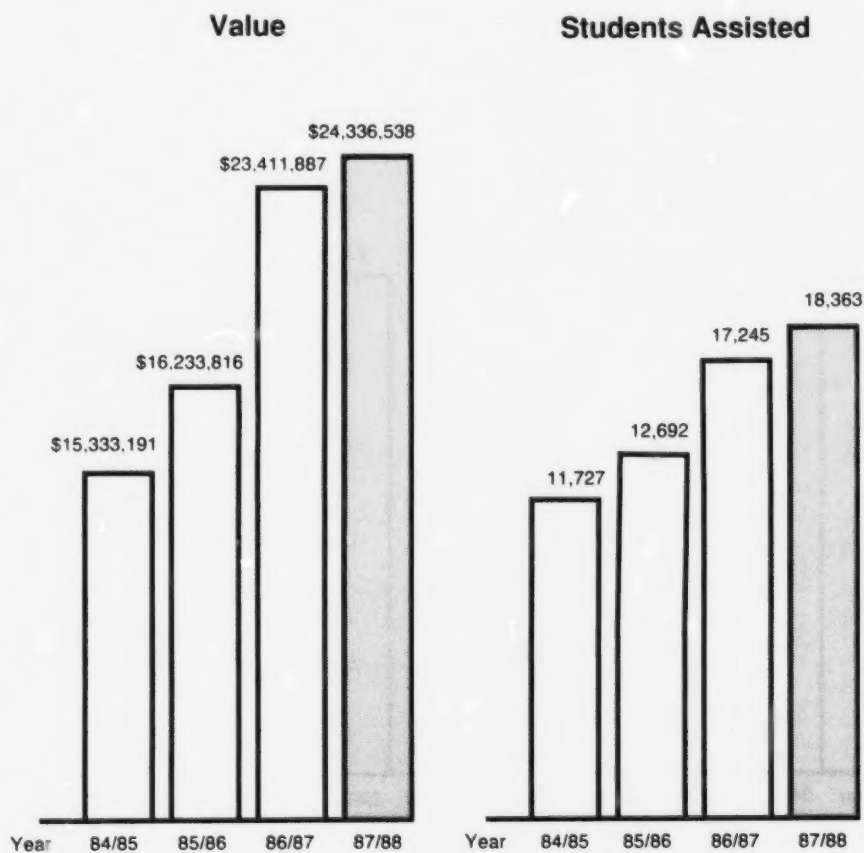


Supplemental Assistance Grant Assistance 1985 - 1988

Value: Up to \$2,500 per academic year.

Supplemental assistance grants were established to aid those undergraduate students demonstrating a need for assistance which exceeds the \$4,300 loan maximum per academic year. The purpose of this grant program is to control the level of indebtedness of students upon graduation.

There were 18,363 students assisted under this program in 1987-88, amounting to a total expenditure of \$24,336,538.

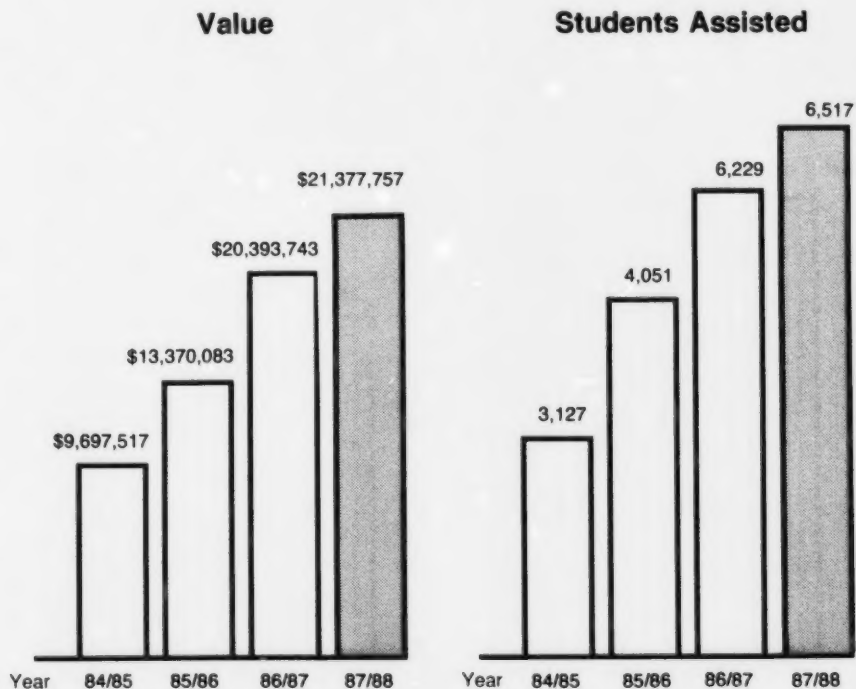


Maintenance Grant Assistance 1985 - 1988

Value: Up to \$6,000 per academic year.

The maintenance grant program was established to ensure that students with special needs have the opportunity to acquire undergraduate degrees. Students considered for these grants are those who do not have normal prospects of completing their education without assistance in addition to that provided under other programs, e.g. disabled persons and single parents. To be eligible for maintenance grant assistance, a student must be receiving a minimum loan of \$1,000 under the Guaranteed Loans program.

There were 6,517 students assisted under this program in 1987-88, amounting to a total expenditure of \$21,377,757.

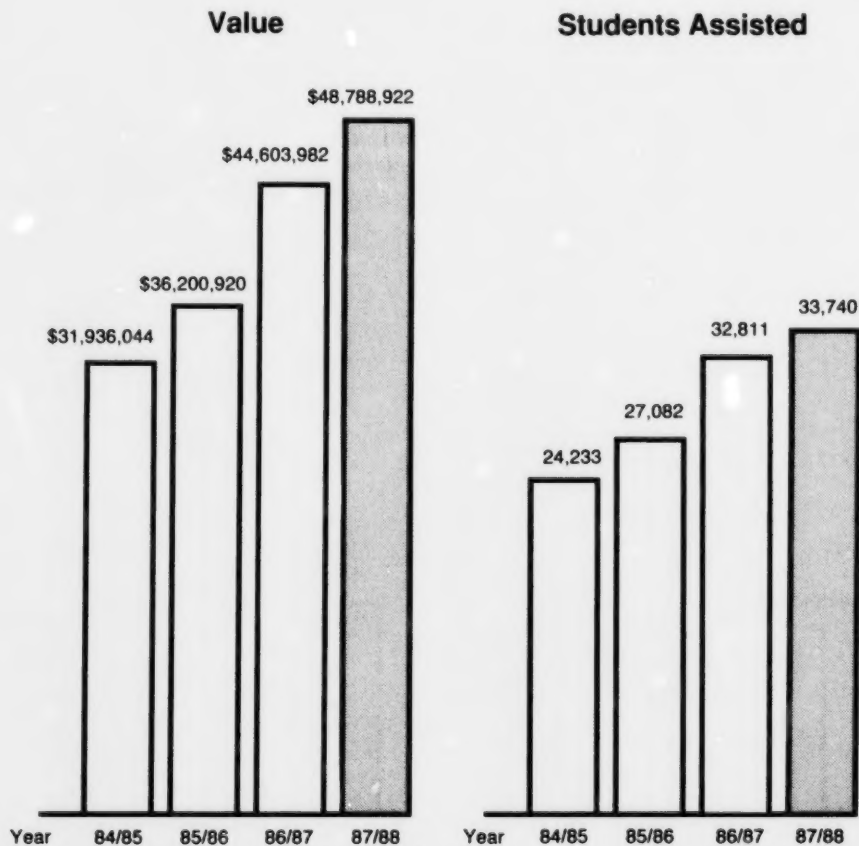


Provincial Guaranteed Student Loan Assistance 1985 - 1988

This program was implemented by the Province in 1969 to supplement the assistance available to Alberta students under the Canada Student Loans program.

The interest on these loans is paid by the Province while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibility for principal and interest payments.

There were 33,740 students assisted under this program in 1987-88, amounting to a total expenditure of \$48,788,922.

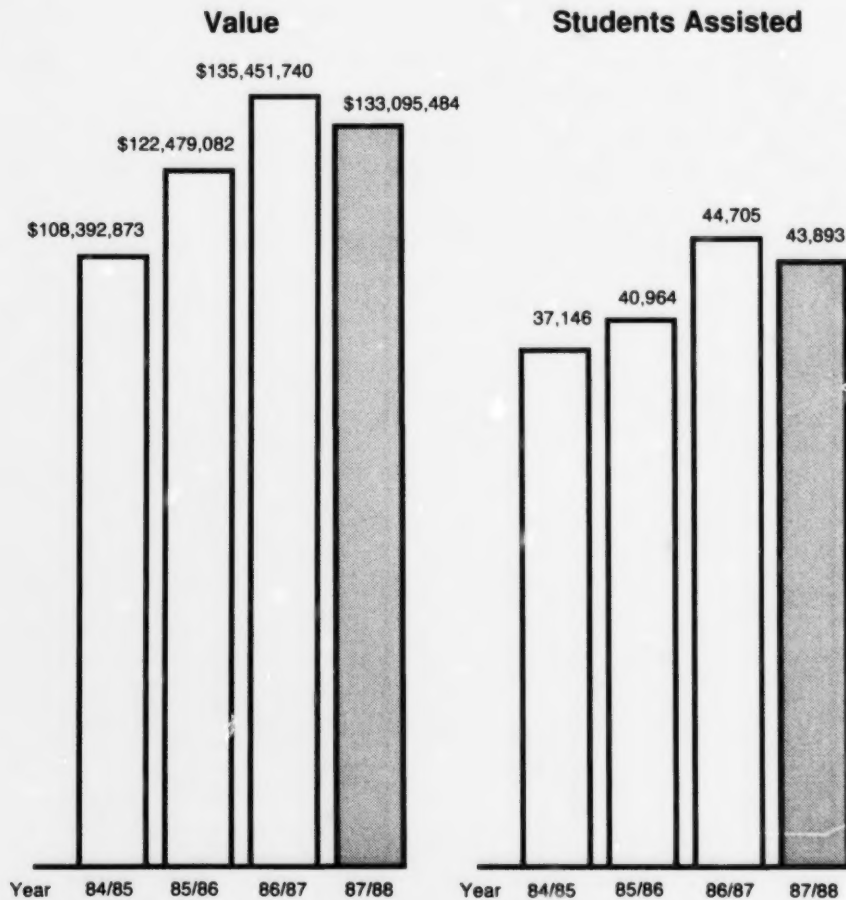


Canada Student Loan Assistance 1985 - 1988

The Canada Student Loans program was established in 1964. The Students Finance Board is the designated authority for the administration of these loans in Alberta.

The interest on these loans is paid by the federal government while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibility for principal and interest payments.

In 1987-88, a total of 43,893 students were issued Canada Student Loans amounting to \$133,095,484.



REMISSION PROGRAM

The remission program was implemented by the Province in 1971. Remission is that portion of a student's loan which may be repaid by the Province of Alberta on the student's behalf when he or she has ceased to be a full-time student.

Students qualify for remission if the following conditions have been met to the satisfaction of the Students Finance Board:

- savings were adequate in relation to earnings;
- a reasonable contribution has been made by parents, spouse or sponsor;
- full-time enrollment was maintained during the period for which assistance was provided;
- the initial arrangements for repayment of student loans have been made, i.e. loans have been consolidated.

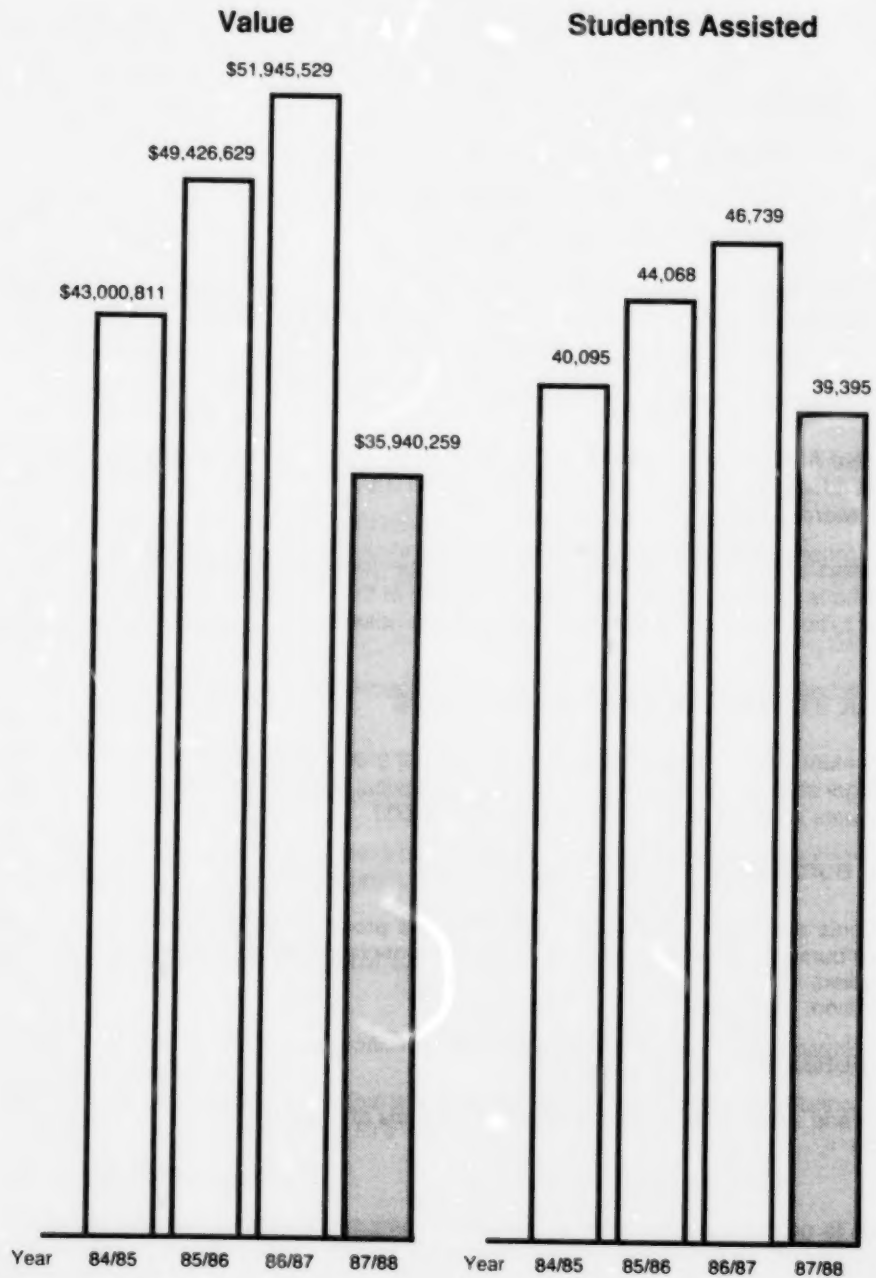
As of May, 1987, an exemption equal to \$1,000 times the number of years in a student's program is applied in the awarding of remission. Remission is then calculated at 40% of loans in excess of the exemption amount.

Applications for loan remission are available at credit institutions in Alberta, and then are submitted to the Students Finance Board after consolidation of student loans.

Remission payments are sent directly to the lending institution and applied to the student's outstanding loan obligations. In this manner, during 1987-88, 17,833 students received remission benefits which amounted to \$35,019,748.

In 1987-88, 39,395 students were awarded remission amounting to \$35,940,259 which will be issued upon graduation.

Summary of Remission Awarded 1985-88



SCHOLARSHIPS, FELLOWSHIPS, BURSARIES, GRANTS, AND PRIZES

PROVINCE OF ALBERTA SCHOLARSHIPS

Awarded to undergraduate students who have achieved an average of not less than 80 per cent.
Value: \$150

PROVINCE OF ALBERTA PRIZES

Awarded to students registered in diploma or certificate programs at public colleges or institutes of technology.
Value: \$150

GRADUATE SCHOLARSHIPS AND FELLOWSHIPS

Awarded to Canadian citizens or permanent residents who are registered as full-time students in graduate studies at the University of Alberta, The University of Calgary or The University of Lethbridge.
Value: Scholarships: \$8,100 Fellowships: \$9,300

UNITED WORLD COLLEGE SCHOLARSHIPS

Awarded to selected Alberta students who have completed grade 11. These scholarships provide two years of study at United World Colleges located in Canada, Wales, the U.S.A., Singapore, Swaziland and Italy. Eight new scholarships are awarded each year.

Two of these scholarships were established in 1983 to commemorate the visit to Alberta of His Royal Highness Prince Charles, who is President of the International Council of the United World Colleges.
Value: The cost of tuition, room and board, and one round trip between the student's home and the United World College per year.

POPE JOHN PAUL II COMMEMORATIVE SCHOLARSHIPS

Awarded to a maximum of two undergraduate students and four graduate students to facilitate the pursuit of native studies, international studies with respect to third world countries, or ecumenical studies.
Value: Undergraduate level: \$5,000 Masters level: \$10,000

BANFF CENTRE BURSARIES

Awarded to students enrolled in visual and performing arts programs at The Banff Centre for Continuing Education. These bursaries are awarded on the basis of financial need and past achievement in the subject matter being studied.
Value: Cost of tuition.

HIGH SCHOOL BURSARIES

Awarded to junior and senior high school students on the basis of need.
Value: Up to \$300

EDUCATION OF SERVICEMEN'S CHILDREN BURSARIES

Awarded to the children of disabled war veterans in order to assist them in meeting their educational costs in grades 9 to 12 inclusive.

Value: Up to \$300

PART-TIME BURSARIES

Awarded to students on the basis of need in order to cover the cost of tuition, books and materials, transportation and child care costs.

Value: \$300 per academic term

GRANTS FOR DISABLED PERSONS

Grants are provided to students who are physically or mentally disabled and who, in the opinion of the Board, require extraordinary assistance not available through other programs.

Value: Up to \$1,000 per semester

GOVERNMENT OF ALBERTA SCHOLARSHIPS

Special purpose scholarships awarded by the Students Finance Board.

Value: Maximum of \$8,000 per year plus tuition, books and transportation costs. A \$1,000 research allowance may be issued once during the course of the student's program.

HIGH SCHOOL MAINTENANCE GRANTS

Awarded primarily to high school students who become ineligible for social assistance benefits because they have reached 18 years of age.

Value: Up to \$5,000

QUEEN ELIZABETH SCHOLARSHIPS IN CANADIAN STUDIES

Awarded to students in the final year of an undergraduate degree program which focuses primarily or uniquely on aspects of Canadian culture or problems significant to Canada.

Value: \$1,000

ALBERTA MOTION PICTURE INDUSTRY TRAINING GRANTS

Awarded to

a) individuals already established within the motion picture industry who wish to further develop their skills by attending short courses or seminars, and

b) individuals who have achieved advanced status within the industry who wish to pursue further formal training.

Value: a) Up to \$5,000

b) Up to \$13,000

LANGUAGE DEVELOPMENT GRANTS

Awarded to individuals who are enrolled in programs designed to enhance the teaching of any language other than English and French in Alberta. Recipients are recommended by the Minister of Education or his delegate.

Value: Up to \$2,000 in any one year

RETURN-SERVICE PROGRAMS

VOCATIONAL TEACHER DEVELOPMENT GRANTS

A return-service program provided to students in the vocational teacher certification program who intend to be employed by a school board in Alberta upon graduation.

Value: Up to \$22,000

NORTHERN ALBERTA DEVELOPMENT COUNCIL BURSARIES

A return-service program provided, primarily, to students raised in northern Alberta who will be employed in northern Alberta on completion of their studies.

Value: Up to \$3,500 per academic year, if single

Up to \$6,000 per academic year if married

In circumstances where either the field of study or the remote location makes recruitment difficult, special incentive bursaries may be provided under this program.

Value: Up to \$7,000 per academic year, if single

Up to \$12,000 per academic year, if married

Under this program, bursaries with no associated return-service obligation may be awarded to students enrolled in short-term courses in northern Alberta.

Value: Up to \$1,500 per academic year

TEACHERS OF THE DISABLED GRANTS

A return-service program provided to students enrolled in full-time graduate programs in areas related to the teaching of disabled persons.

Value: Up to \$10,000

MUSIC EDUCATION DEVELOPMENT GRANTS

A return-service program provided to students who are enrolled in a program of study related to music education who intend to be employed by a school board in Alberta upon graduation.

Value: Up to \$20,000

SUMMARY OF TOTAL AWARDS

	1985/86	1986/87	1987/88
Alberta Educational Opportunity			
Equalization Grant	\$ 8,885,148	\$ 9,955,190	\$ 9,554,230
Supplemental Assistance Grants	16,233,816	23,411,887	24,336,538
Maintenance Grants	13,370,083	20,393,743	21,377,757
Guaranteed Provincial Loans	36,200,920	44,603,982	48,788,922
Canada Student Loans	122,479,082	135,451,740	133,095,484
Remission Awards	49,426,629	51,945,529	35,940,259
Province of Alberta Scholarships	165,000	189,900	183,600
Province of Alberta Prizes	146,850	187,800	186,300
Graduate Scholarships and Fellowships	1,020,420	1,036,900	1,101,500
United World College Scholarships	175,795	229,968	231,536
Pope John Paul II Comm. Scholarships	25,000	50,000	35,000
Banff Centre Bursaries	21,800	24,385	23,275
High School Bursaries	167,458	199,700	232,370
Education of Servicemen's Children Bursaries	2,325	1,250	750
Part-Time Bursaries	780,504	1,186,509	932,033
Grants for Disabled Persons	33,440	88,760	97,087
Government of Alberta Scholarships	82,136	149,262	107,782
High School Maintenance Grants	2,223,370	2,597,670	2,571,311
Queen Elizabeth Scholarships in			
Canadian Studies	18,000	16,000	13,000
Alberta Motion Picture Industry			
Training Grants	10,469	17,216	3,910
Music Education Development Grants	61,670	66,660	60,000
Language Development Grants	15,000	7,448	5,000
Vocational Teacher Development Grants	185,900	77,000	41,800
Northern Development Council Bursaries	590,530	609,750	565,153
Teachers of the Disabled Grants	38,000	4,000	10,000
TOTAL	\$252,359,345	\$ 292,502,249	\$ 279,494,597

COMPARISON OF AWARD EXPENDITURES

NOTE:

For comparative purposes the figures used as award expenditures in this report include grant payments which were issued to students on April 1, 1988 which, due to a change in accounting policy, are reported during the following fiscal period.

The table below lists award expenditures for the periods April 2, 1987 to March 31, 1988 and April 2, 1987 to April 1, 1988.

Awards

Reporting Period

	April 2, 1987- March 31, 1988	April 2, 1987- April 1, 1988
Alberta Educational Opportunity		
Equalization Grants	\$ 7,251,132	\$ 9,554,230
Supplemental Assistance Grants	19,852,726	24,336,538
Maintenance Grants	18,662,022	21,377,757
Guaranteed Provincial Loans	48,788,922	48,788,922
Canada Student Loans	133,095,484	133,095,484
Remission Awards	35,940,259	35,940,259
Province of Alberta Scholarships	183,300	183,600
Province of Alberta Prizes	186,300	186,300
Graduate Scholarships and Fellowships	1,101,500	1,101,500
United World College Scholarships	231,536	231,536
Pope John Paul II Comm. Scholarships	31,250	35,000
Banff Centre Bursaries	23,275	23,275
High School Bursaries	221,815	232,370
Education of Servicemen's Children Bursaries	750	750
Part-Time Bursaries	858,583	932,033
Grants for Disabled Persons	90,987	97,087
Government of Alberta Scholarships	107,782	107,782
High School Maintenance Grants	2,571,311	2,571,311
Queen Elizabeth Scholarships in		
Canadian Studies	13,000	13,000
Alberta Motion Picture Industry		
Training Grants	3,910	3,910
Music Education Development Grants	60,000	60,000
Language Development Grants	5,000	5,000
Vocational Teacher Development Grants	41,800	41,800
Northern Development Council Bursaries	565,153	565,153
Teachers of the Disabled Grants	10,000	10,000
TOTALS	\$ 269,897,797	\$ 279,494,597

Further details regarding the information contained in this report may be obtained by contacting:

Jean Sprague
Director of Program Development
Students Finance Board
427-7106

APPENDIX 1

GUARANTEED PROVINCIAL LOANS

SUMMARY OF ACTIVITY	1985/86	1986/87	1987/88
O/S Loans - Students in School	\$68,622,914	\$77,535,934	\$86,694,522
- Graduates	29,705,812	27,763,511	29,921,304
	<u>\$98,328,726</u>	<u>\$105,299,445</u>	<u>\$116,615,826</u>
Loans Issued	\$36,200,920	\$44,603,982	\$48,788,922
Interest Paid to Banks	\$8,209,273	\$7,913,098	\$8,834,585
Bank Claims Paid	\$4,465,164	\$6,505,377	\$8,106,623

APPENDIX 2 APPEAL ACTIVITY

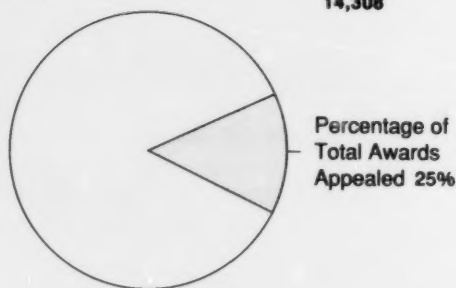
A student may initiate an appeal by forwarding a completed "Request for Appeal" form to the Students Finance Board. Subsequently, a counsellor will review the situation and may adjust the award within prescribed limits.

Appeals not resolved by this process are submitted, upon the student's request, to the Appeal Committees which meet in Edmonton and Calgary. Appointed by the Minister of Advanced Education, these Committees are comprised of members of the public and student representatives. Students are encouraged to attend these meetings in order to personally present their cases to the Committees.

1987-1988 Appeal Activity

Total Number
Of Applications
57,305

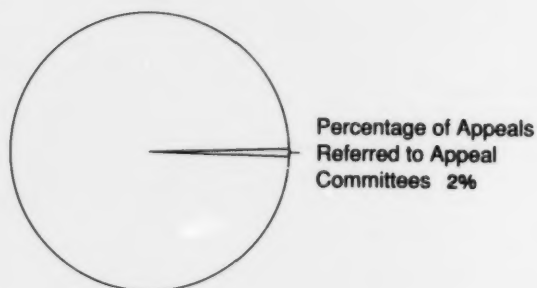
Total Number
Of Appeals
14,308



Total Number
Of Appeals
14,308

Number of Appeals
Resolved by
Counsellors
13,737

Number of Appeals
Referred to the
Appeal Committees
285



APPENDIX 3

STUDENTS FINANCE BOARD

FINANCIAL STATEMENT

MARCH 31, 1988

Auditor's Report

Balance Sheet

Notes to the Financial Statement

OFFICE OF THE AUDITOR GENERAL



ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the
Students Finance Board

I have examined the balance sheet of the Students Finance Board as at March 31, 1988. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the financial position of the Board as at March 31, 1988 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

C.A.
Auditor General

Edmonton, Alberta
August 21, 1988

STUDENTS FINANCE BOARD

BALANCE SHEET

AS AT MARCH 31, 1988

	<u>1988</u>	<u>1987</u>
<u>ASSETS</u>		
Cash (Note 2)	<u>\$400</u>	<u>\$400</u>
<u>LIABILITIES</u>		
Due to the General Revenue Fund	<u>\$400</u>	<u>\$400</u>

The accompanying notes are part
of this financial statement.

OFFICE OF THE AUDITOR GENERAL

STUDENTS FINANCE BOARD

NOTES TO THE FINANCIAL STATEMENT

MARCH 31, 1988

Note 1 Authority

The Board operates under the authority of the Students Finance Act, Chapter S-24, Revised Statutes of Alberta 1980, and carries out the following activities on behalf of the Province of Alberta:

- (i) Issue of certificates of eligibility for loans to be guaranteed pursuant to the Students Loan Guarantee Act and the Canada Student Loans Act. Fees are earned for administering Canada Student Loans Act certificates and are credited to the General Revenue Fund as revenue of the Department of Advanced Education.
- (ii) Authorization of the following types of expenditures, paid by the Department of Advanced Education from funds appropriated by the Legislature:
 - (a) Grants, bursaries, fellowships and scholarships.
 - (b) Partial loan repayments on behalf of students.
 - (c) Interest on student loans guaranteed pursuant to the Students Loan Guarantee Act.
 - (d) Implementation of guarantees pursuant to the Students Loan Guarantee Act.
 - (e) Administration expenses in connection with all of the activities of the Board other than the costs of accommodation and basic office equipment forming part of the general administration costs of the Department of Advanced Education.
- (iii) Authorization of scholarships paid from the Alberta Heritage Scholarship Fund.

Note 2 Cash

Cash consists of accountable advances from the General Revenue Fund.

Note 3 Approval of Financial Statement

This financial statement was approved by management.

OFFICE OF THE AUDITOR GENERAL